

STATEMENT OF IRS COMMISSIONER MARK W. EVERSON ON THE CLOSURE OF SOME TAXPAYER ASSISTANCE OFFICES

Today, the IRS is announcing the closure of some Taxpayer Assistance Centers this fall, before the beginning of the next tax filing season.

In recent years, we have seen a significant shift in the ways Americans interact with the IRS. Compared to the past, fewer taxpayers are choosing to write or call us; even fewer taxpayers are using our walk-in Taxpayer Assistance Centers (TACs). Instead, more and more Americans are using our electronic services, especially our internet site. Last year, GAO stated in a report that "improvement in phone service, increased web site use and the availability of volunteer sites raises a question about whether the IRS should continue to operate as many walk-in sites."

In testimony assessing the IRS FY 2006 budget request, the GAO stated: "In light of the current budget environment and IRS's improvements in taxpayer service over the last several years, this is an opportune time to reconsider the menu of services it provides. It may be possible to maintain the overall level of assistance to taxpayers by changing the menu of services offered, offsetting reductions in some areas with new and improved service in other areas."

We have developed a criteria model that measures the effect of TAC closures on taxpayers across the country. The criteria includes workload measures, demographic data, geographic area, employee cost and facilities cost. Using these criteria, we plan to close 68 of our 400 TACs.

This was a data-driven decision. We populated the business model with Fiscal Year 2004 data and the most recent census information and assigned 'weights' to each criterion. Our weighting was customer centric and based on internal and external stakeholder input. We assigned the majority of the weight – about two-thirds – to customer considerations: workload, geography, and demographics; and only one-third of the weighting to labor and facilities costs.

GAO has stated that "results to date show IRS has generally maintained or improved its 2005 filing season performance in key areas compared to last year, despite a decrease in the 2005 budget for taxpayer service." We believe we will continue to deliver that improved service. When taxpayers have tax law questions, or questions about their accounts, our toll-free service will route them to the assistor who has the expertise to answer their particular question. If a taxpayer needs a form, the IRS website has every form available for download, and local libraries and post offices have paper forms. When taxpayers need help preparing their returns, they can visit one of the 14,000 Volunteer Income Tax Assistance (VITA) sites available throughout the country. If a taxpayer still needs face-to-face service with an IRS representative, more than 300 Taxpayer Assistance Centers will still be available across the country to provide that service as well.

We are taking all mitigating steps we can for our employees in the affected areas. We have requested authority to offer early-outs and buy-outs to those eligible IRS personnel who are interested in taking advantage of that authority. Affected employees will have priority placement for job openings, and in fact, many of these employees have the technical requirements that would qualify them for compliance positions as we increase our enforcement staffing.

The President's 2006 budget request for the IRS is crafted to continue the necessary rebuilding of our enforcement capabilities, which had dropped to unacceptable levels. The 2006 budget request also calls for a modest amount of belt-tightening in taxpayer services. This cut to services of 1 percent is consistent with the requests for domestic discretionary programs other than those associated with homeland security. While we continue to rebuild our enforcement program in these difficult budgetary times, we must make some hard choices to be able to provide the best possible service at the lowest possible cost.

The IRS recently released findings on the tax gap – the difference between the tax that taxpayers should pay and what they actually pay on a timely basis. The findings show that even after IRS enforcement efforts and late payments, the government is being shortchanged by over a quarter-trillion dollars each year. People who aren't paying their taxes shift their burden to the rest of us. In this time of budget deficits, a dollar not received by the government becomes debt, the burden of which will be felt by future generations. The rebuilding of our enforcement efforts is critical to help to address the tax gap.

At the same time, I want to assure taxpayers that the IRS remains committed to both of its missions of service and enforcement.